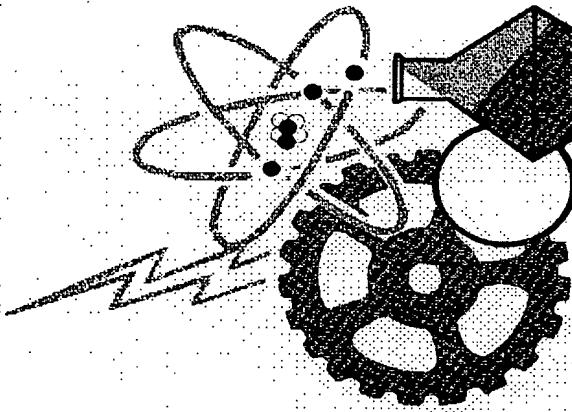


General Information Concerning

PATENTS

A brief introduction
to patent matters



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Washington, D.C. 20231

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to the inventor's attorney or agent if there is one, of record, otherwise directly to the inventor. On the date of the grant, the record of the patent in the Office becomes open to the public. Printed copies of the specification and drawing are available on that same date.

In case the publication of an invention by the granting of a patent would be detrimental to the national defense, the patent law gives the Commissioner the power to withhold the grant of the patent and to order the invention kept secret for such period of time as the national interest requires.

NATURE OF PATENT AND PATENT RIGHTS

The patent is issued in the name of the United States under the seal of the Patent and Trademark Office, and is either signed by the Commissioner of Patents and Trademarks or has his name written thereon and attested by an Office official. The patent contains a grant to the patentee and a printed copy of the specification and drawing is annexed to the patent and forms a part of it. The grant to the patentee is of "the right to exclude others from making, using or selling the invention throughout the United States" for the term of 17 years subject to the payment of maintenance fees as provided by law. The United States in this phrase includes its territories and possessions.

The exact nature of the right conferred must be carefully distinguished, and the key is in the words "right to exclude" in the phrase just quoted. The patent does not grant the right to make, use, or sell the invention but only grants the exclusive nature of the right. Any person is ordinarily free to make, use, or sell anything he pleases, and a grant from the Government is not necessary. The patent only grants the right to exclude others from making, using, or selling the invention. Since the patent does not grant the right to make, use, or sell the invention, the patentee's own right to do so is dependent upon the rights of others and whatever general laws might be applicable. A patentee, merely because he has received a patent for an invention, is not thereby authorized to make, use or sell the invention if doing so would violate any law. An inventor of a new automobile who has obtained a patent thereon would not be entitled to use the patented automobile in violation of the laws of a State requiring a license, nor may a patentee sell an article the sale of which may be forbidden by a law, merely because a patent has been obtained. Neither may a patentee make, use or sell his/her own invention if doing so would infringe the prior rights of others. A patentee may not violate the Federal antitrust laws, such as by resale price agreements or entering into combination in restraints of trade, or the pure food and drug laws, by virtue of having a patent. Ordinarily there is nothing which prohibits a patentee from making, using, or selling his/her own invention, unless he/she thereby infringes another's patent which is still in force.

Since the essence of the right granted by a patent is the right to exclude others from commercial exploitation of the invention, the patentee is the

only one who may make, use, or sell the invention. Others may not do so

without authorization from the patentee. The patentee may manufacture

and sell the invention, or may license, that is, give authorization to others to do so.

The term of a patent is 17 years. A maintenance fee is due 3½, 7½ and 11½ years after the original grant, for all patents issuing from applications filed on and after December 12, 1980. The maintenance fee must be paid at the stipulated times to maintain the patent in force. See the fee schedule beginning on page 32. After the patent has expired anyone may make, use, or sell the invention without permission of the patentee, provided that matter covered by other unexpired patents is not used. The terms may not be extended except by special act of Congress.

CORRECTION OF PATENTS

Once the patent is granted, it is outside the jurisdiction of the Patent and Trademark Office except in a few respects.

The Office may issue without charge a certificate correcting a clerical error it has made in the patent when the patent does not correspond to the record in the Office. These are mostly corrections of typographical errors made in printing.

Some minor errors of a typographical nature made by the applicant may be corrected by a certificate of correction for which a charge is made.

The patentee may disclaim one or more claims of this patent by filing in the Office a disclaimer as provided by the statute.

When the patent is defective in certain respects, the law provides that the patentee may apply for a reissue patent. This is a patent granted to replace the first one and is granted only for the balance of the unexpired term. However, the nature of the changes that can be made by means of the reissue are rather limited; new matter cannot be added.

Any person may file a request for reexamination of a patent, along with

the required fee, on the basis of prior art consisting of patents or printed publications. At the conclusion of any reexamination proceedings, a Certificate of Patentability is issued.

ASSIGNMENTS AND LICENSES

A patent is personal property and may be sold to others or mortgaged; it may be bequeathed by a will; and it may pass to the heirs of deceased patentee. The patent law provides for the transfer or sale of a patent, or of an application for patent, by an instrument in writing. Such an instrument is referred to as an assignment and may transfer the entire interest in the patent. The assignee, when the patent is assigned to him or her, becomes the owner of the patent and has the same rights that the original patentee had.

The statute also provides for the assignment of a part interest, that is, a half interest, a fourth interest, etc., in a patent. There may also be a grant which conveys the same character of interest as an assignment but only for a particularly specified part of the United States.

A mortgage of patent property passes ownership therof to the mortgagee or lender until the mortgage has been satisfied and a retransfer from the mortgagee back to the mortgagor, the borrower, is made. A conditional

PATENT LAWS

154

specified in any of his claims involved in the decision of the Board of Patent Appeals and Interferences, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

(Amended Nov. 8, 1984, Public Law 98-620, sec. 203(b), 98 Stat. 3387.)

35 U.S.C. 146 Civil action in case of interference.

Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences, may have remedy by civil action, if commenced within such time after such decision, not less than thirty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Appeals for the Federal Circuit, and such appeal is pending or has been decided. In such suit the record in the Patent and Trademark Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent and Trademark Office when admitted shall have the same effect as if originally taken and produced in the suit.

Such suit may be instituted against the party in interest as shown by the records of the Patent and Trademark Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent and Trademark Office of a certified copy of the judgment and on compliance with the requirements of law.

(Amended Jan. 2, 1973, Public Law 93-396, sec. 1, 88 Stat. 1949; Apr. 2, 1982, Public Law 97-164, sec. 163, 96 Stat. 49; Nov. 8, 1984, Public Law 98-622, sec. 203(c), 98 Stat. 3387.)

CHAPTER 14 - ISSUE OF PATENT

Sec.

- 151 Issue of patent.
- 152 Issue of patent to assignee.
- 153 How issued.
- 154 Content and term of patent.
- 155 Patent term extension.
- 155A Patent term restoration.
- 156 Extension of patent term.
- 157 Statutory invention registration.

35 U.S.C. 151 Issue of patent.

If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned.

Any remaining balance of the issue fee shall be paid within three months from the sending of a notice thereof, and, if not paid, the patent shall lapse at the termination of this three-month period. In calculating the amount of a remaining balance, charges for a page or less may be disregarded.

If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and the delay in payment is shown to have been unavoidable, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred.

(Amended July 24, 1953, Public Law 89-63, sec. 4 and 6, 79 Stat. 260; Jan. 2, 1973, Public Law 93-396, sec. 1, 88 Stat. 1949.)

35 U.S.C. 152 Issue of patent to assignee.

Patents may be granted to the assignee of the inventor of record in the Patent and Trademark Office, upon the application made and the specification sworn to by the inventor, except as otherwise provided in this title.

(Amended Jan. 2, 1973, Public Law 93-396, sec. 1, 88 Stat. 1949.)

35 U.S.C. 153 How issued.

Patents shall be issued in the name of the United States of America, under the seal of the Patent and Trademark Office, and shall be signed by the Commissioner or have his signature placed thereon and attested by an officer of the Patent and Trademark Office designated by the Commissioner, and shall be recorded in the Patent and Trademark Office.

(Amended Jan. 2, 1973, Public Law 93-396, sec. 1, 88 Stat. 1949.)

35 U.S.C. 154 Content and term of patent.

Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, subject to the payment of fees as provided for in this title, of the right to exclude others from making, using, or selling the invention throughout the United States and, if the invention is a process, of the right to exclude others from using or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particular thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

(Amended July 24, 1953, Public Law 89-63, sec. 3, 79 Stat. 261; Dec. 17, 1980, Public Law 96-517, sec. 4, 94 Stat. 3018; amended August 23, 1982, Public Law 97-248, sec. D-002, effective Feb. 23, 1983.)

146**MANUAL OF PATENT EXAMINING PROCEDURE**

applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Board of Patent Appeals and Interferences, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

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Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Appeals for the Federal Circuit, and such appeal is pending or has been decided. In such suits the record in the Patent and Trademark Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent and Trademark Office when admitted shall have the same effect as if originally taken and produced in the suit.

Such suit may be instituted against the party to interest as shown by the records of the Patent and Trademark Office at the time of the decision complained of, but any party to interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summonses against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent and Trademark Office of a certified copy of the judgment and on compliance with the requirements of law.

(Amended Jan. 2, 1973, Public Law 93-396, sec. 1, 88 Stat. 1949; Apr. 2, 1982, Public Law 97-104, sec. 163, 96 Stat. 49; Nov. 8, 1984, Public Law 98-620, sec. 203(c), 98 Stat. 3387.)

CHAPTER 14 - ISSUE OF PATENT**Sec.**

- 151. Issue of patent.**
- 152. Issue of patent to assignee.**
- 153. How issued.**
- 154. Contents and term of patent.**
- 155. Patent term extension.**
- 155A. Patent term restoration.**
- 156. Extension of patent term.**

Rev. 14, Nov. 1992

157. Statutory invention registration.**35 U.S.C. 151. Issue of patent.**

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(Amended July 24, 1965, Public Law 89-63, sec. 5, 79 Stat. 261; Dec. 12, 1980, Public Law 96-517, sec. 4, 94 Stat. 3018; amended

United States v. Winstar Corp. et al., 518 U.S. 839 (1996)

Page 1 of 20



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Supreme Court collection**United States v. Winstar Corp. et al. (95-865), 518 U.S. 839 (1996).**

| Concurrence { Souter } | Concurrence { Breyer } | Syllabus | Dissent { Rehnquist } | Concurrence { Scalia } |
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SUPREME COURT OF THE UNITED STATES

No. 95-865

UNITED STATES, PETITIONER v. WINSTAR CORPORATION et al.**ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

Secty 1, 1996

Justice Souter announced the judgment of the Court, and delivered an opinion, in which Justice Stevens and Justice Breyer join, and in which Justice O'Connor joins except as to Part II A and IV B:

The focus in this case is the enforceability of contracts between the Government and participants in a regulated industry, to accord them particular regulatory treatment in exchange for their assumption of liabilities that threatened to produce claims against the Government as insurer. Although Congress subsequently changed the relevant law, and thereby barred the Government from specifically honoring its agreements, we hold that the terms assuring the risk of regulatory change to the Government are enforceable, and that the Government is therefore liable in damages for breach.

We note in *United States v. Tolomatic*, 221 F.3d 250, 254 (1998), that "Tolomatic is one of the largest registered and most closely supervised of public entities." That is particularly true of the Justice and Court of

United States Court of Appeals for the Federal Circuit

03-5087, -5095

CENTEX CORPORATION and
CTX HOLDING COMPANY,

Plaintiffs-Cross Appellants,

v.

UNITED STATES,

Defendant-Appellant.

DECIDED: January 19, 2005

Before MICHEL, Chief Judge, BRYSON, and LINN, Circuit Judges.

BRYSON, Circuit Judge:

This case requires us to decide whether the government breached a contract with plaintiffs Centex Corporation and CTX Holding Company when Congress enacted certain tax legislation in 1993. The plaintiffs argue that the 1993 legislation breached the contract because it changed the tax laws to abrogate tax benefits to which they were entitled at the time the contract was executed and because the legislation specifically targeted the benefits they enjoyed under the contract.

The Court of Federal Claims agreed with the plaintiffs as to liability, holding that under the pre-1993 tax laws they were entitled to the tax benefits in question and that

Paul R. Michel assumed the position of Chief Judge on December 25, 2004.

United States Court of Appeals for the Federal Circuit

04-5021, -5022

FIRST HEIGHTS BANK, FSB,
PULTE DIVERSIFIED COMPANIES, INC.,
and PULTE HOMES, INC.,

Plaintiffs-Cross Appellants,

v.

UNITED STATES,

Defendant-Appellant.

DECIDED: August 17, 2005

Before MICHEL, Chief Judge, NEWMAN, and LOURIE, Circuit Judges.

MICHEL, Chief Judge:

The United States appeals from the judgment of the United States Court of Federal Claims, awarding \$48.7 million in damages to First Heights Bank, FSB, Pulte Diversified Companies, Inc., and Pulte Homes, Inc. (collectively, "plaintiffs"). The appeal was submitted after oral argument on July 6, 2005. Because the trial court properly determined liability and damages in this breach of contract action, we affirm.

This case is one of many arising out of the savings and loan crisis of the 1970s and 1980s. See United States v. Winstar Corp., 518 U.S. 839 (1996) (discussing the savings and loan crisis). At the heart of these "Winstar" cases are government actions